GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:1797
ANSWERED ON:03.03.2003
PROBLEMS OF FERRO ALLOYS MANUFACTURERS/TRADERS
KAMBALAPADU E. KRISHNAMURTHY

Will the Minister of STEEL be pleased to state:

(a) whether the Government are aware about the problems being faced by Ferro Alloys Manufacturers and Traders in the country;

(b) if so, whether lowering of import duty on raw material/semi-finished products/finished products every year is continuously affecting all manufacturers of the Ferro Alloys;

(c) if so, the details thereof and the reasons therefor;

(d) whether Kelkar Committee Recommendations are detrimental to the existence of Ferro alloys traders with regard to import of raw material; and

(e) if so, the remedial measures being adopted by the Government in this regard ?

Answer

MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI BRAJA KISHORE TRIPATHY)

(a) Yes, Sir. Some of the problems being faced by Ferro Alloys Manufactures and Traders in the country are (i) high power tariff ; (ii) excess capacity and stagnant domestic demand; (iii) cheap imports from China, Russia, Kazakhastan and South Africa; (iv) imports from neighbouring countries, such as, Bhutan and Nepal which do not attract counter vailing duty, sales tax etc; (v) high excise duty; and (vi) increase in input cost, road and railway freight.

(b) & (c) Lowering of import duty will lead to increase in imports and affect the domestic industry.

(d) Yes, Sir.

(e) Basic custom duty on ferro alloys has remained unchanged since 2001-2002. Further, import duty on metcoke for the manufacturers of ferro alloys has been reduced to 5% and anti-dumping duty on Chinese metcoke has also been withdrawn. These measures will help the Ferro Alloys Manufacturers and Traders in the country.